

House Study Bill 696 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON MERTZ)

A BILL FOR

1 An Act concerning gambling and horse racing, by providing
2 for pari-mutuel wagering, purse agreements for races of
3 standardbred horses at county fairs, and county gambling
4 elections, and including effective date and retroactive
5 applicability provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99D.11, subsection 6, paragraph b, Code
2 Supplement 2009, is amended to read as follows:

3 b. (1) The commission may authorize the licensee to
4 simultaneously telecast within the racetrack enclosure, for
5 the purpose of pari-mutuel wagering, a horse or dog race
6 licensed by the racing authority of another state. It is
7 the responsibility of each licensee to obtain the consent of
8 appropriate racing officials in other states as required by
9 the federal Interstate Horseracing Act of 1978, 15 U.S.C.
10 § 3001-3007, to televise races for the purpose of conducting
11 pari-mutuel wagering.

12 (2) A licensee may also obtain the permission of a person
13 licensed by the commission to conduct horse or dog races
14 in this state to televise races conducted by that person
15 for the purpose of conducting pari-mutuel racing. However,
16 arrangements made by a licensee to televise any race for
17 the purpose of conducting pari-mutuel wagering are subject
18 to the approval of the commission, and the commission shall
19 select the races to be televised. The races selected by the
20 commission shall be the same for all licensees approved by the
21 commission to televise races for the purpose of conducting
22 pari-mutuel wagering. The commission shall not authorize the
23 simultaneous telecast or televising of and a licensee shall
24 not simultaneously telecast or televise any horse or dog race
25 for the purpose of conducting pari-mutuel wagering unless the
26 simultaneous telecast or televising is done at the racetrack of
27 a licensee that schedules no less than sixty performances of
28 nine live races each day of the season or is done for an entity
29 licensed in another state to conduct pari-mutuel wagering and
30 such entity accepts wagers only within states in which it is
31 licensed or authorized to accept wagers.

32 (3) For purposes of the taxes imposed under this chapter,
33 races televised by a licensee for purposes of pari-mutuel
34 wagering shall be treated as if the races were held at the
35 racetrack of the licensee. Notwithstanding any contrary

1 provision in this chapter, the commission may allow a licensee
2 to adopt the same deductions as those of the pari-mutuel
3 racetrack from which the races are being simultaneously
4 telecast.

5 Sec. 2. Section 99F.6, subsection 4, paragraph a, Code 2009,
6 is amended to read as follows:

7 a. (1) Before a license is granted, the division of
8 criminal investigation of the department of public safety
9 shall conduct a thorough background investigation of the
10 applicant for a license to operate a gambling game operation
11 on an excursion gambling boat. The applicant shall provide
12 information on a form as required by the division of criminal
13 investigation.

14 (2) A qualified sponsoring organization licensed to operate
15 gambling games under this chapter shall distribute the receipts
16 of all gambling games, less reasonable expenses, charges,
17 taxes, fees, and deductions allowed under this chapter, as
18 winnings to players or participants or shall distribute the
19 receipts for educational, civic, public, charitable, patriotic,
20 or religious uses as defined in section 99B.7, subsection 3,
21 paragraph "b". However, a licensee to conduct gambling games
22 under this chapter shall, unless an operating agreement for an
23 excursion gambling boat otherwise provides, distribute at least
24 three percent of the adjusted gross receipts for each license
25 year for educational, civic, public, charitable, patriotic,
26 or religious uses as defined in section 99B.7, subsection 3,
27 paragraph "b". However, if a licensee who is also licensed to
28 conduct pari-mutuel wagering at a horse racetrack has unpaid
29 debt from the pari-mutuel racetrack operations, the first
30 receipts of the gambling games operated within the racetrack
31 enclosure less reasonable operating expenses, taxes, and fees
32 allowed under this chapter shall be first used to pay the
33 annual indebtedness.

34 (3) The commission shall authorize, subject to the debt
35 payments for horse racetracks and the provisions of paragraph

1 "b" for dog racetracks, a licensee who is also licensed to
2 conduct pari-mutuel dog or horse racing to use receipts from
3 gambling games within the racetrack enclosure to supplement
4 purses for races particularly for Iowa-bred horses pursuant to
5 an agreement which shall be negotiated between the licensee and
6 representatives of the dog or horse owners. For agreements
7 subject to commission approval concerning purses for horse
8 racing beginning on or after January 1, 2006, and ending
9 before January 1, 2021, the agreements shall provide that
10 total annual purses for all horse racing shall be no less than
11 eleven percent of the first two hundred million dollars of net
12 receipts, and six percent of net receipts above two hundred
13 million dollars. In addition, for agreements concerning horse
14 racing between the licensee operating the horse racetrack
15 in Polk county and representatives of standardbred horse
16 owners, the agreement shall include a supplemental amount
17 for standardbred horse races held at county fair racetracks
18 in the state, and the supplemental amount shall be included
19 in determining the total annual purses for all horse racing
20 that is required to be paid as provided by this paragraph
21 "a". Agreements that are subject to commission approval
22 concerning horse purses for a particular period of time
23 beginning on or after January 1, 2006, and ending before
24 January 1, 2021, shall be jointly submitted to the commission
25 for approval.

26 (4) A qualified sponsoring organization shall not make a
27 contribution to a candidate, political committee, candidate's
28 committee, state statutory political committee, county
29 statutory political committee, national political party, or
30 fund-raising event as these terms are defined in section
31 68A.102. The membership of the board of directors of a
32 qualified sponsoring organization shall represent a broad
33 interest of the communities.

34 (5) For purposes of this paragraph "a", "net receipts" means
35 the annual adjusted gross receipts from all gambling games less

1 the annual amount of money pledged by the owner of the facility
2 to fund a project approved to receive vision Iowa funds as of
3 July 1, 2004.

4 Sec. 3. Section 99F.7, subsection 11, Code 2009, is amended
5 to read as follows:

6 11. *a.* A license to conduct gambling games on an
7 excursion gambling boat, gambling structure, or at a racetrack
8 enclosure in a county shall be issued only if the county
9 electorate approves the conduct of the gambling games as
10 provided in this subsection. The board of supervisors,
11 upon receipt of a valid petition meeting the requirements of
12 section 331.306, and subject to the requirements of paragraph
13 "e", shall direct the commissioner of elections to submit
14 to the registered voters of the county a proposition to
15 approve or disapprove the conduct of gambling games on an
16 excursion gambling boat, gambling structure, or at a racetrack
17 enclosure in the county. The proposition shall be submitted
18 at an election held on a date specified in section 39.2,
19 subsection 4, paragraph "a". To be submitted at a general
20 election, the petition must be received by the board of
21 supervisors at least five working days before the last day for
22 candidates for county offices to file nomination papers for
23 the general election pursuant to section 44.4. If a majority
24 of the county voters voting on the proposition favor the
25 conduct of gambling games, the commission may issue one or
26 more licenses as provided in this chapter. If a majority of
27 the county voters voting on the proposition do not favor the
28 conduct of gambling games, a license to conduct gambling games
29 in the county shall not be issued.

30 *b.* If ~~licenses~~ a license to conduct gambling games ~~and to~~
31 ~~operate on~~ an excursion gambling boat are, gambling structure,
32 or at a racetrack enclosure is in effect pursuant to a
33 referendum as set forth in this section and ~~are~~ is subsequently
34 disapproved by a referendum of the county electorate, the
35 ~~licenses~~ license issued by the commission after a referendum

1 approving gambling games on an excursion gambling ~~boats~~ boat,
2 gambling structure, or at a racetrack enclosure shall remain
3 valid and ~~are~~ is subject to renewal for ~~a total of nine~~
4 years one year from the date of ~~original issue~~ the referendum
5 disapproving the conduct of gambling games in the county unless
6 the commission revokes a license at an earlier date as provided
7 in this chapter.

8 c. If a licensee of a pari-mutuel racetrack who held a
9 valid license issued under chapter 99D as of January 1, 1994,
10 requests a license to operate gambling games as provided in
11 this chapter, the board of supervisors of a county in which
12 the licensee of a pari-mutuel racetrack requests a license to
13 operate gambling games shall submit to the county electorate a
14 proposition to approve or disapprove the operation of gambling
15 games at pari-mutuel racetracks at an election held on a date
16 specified in section 39.2, subsection 4, paragraph "a". If the
17 operation of gambling games at the pari-mutuel racetrack is not
18 approved by a majority of the county electorate voting on the
19 proposition at the election, the commission shall not issue a
20 license to operate gambling games at the racetrack.

21 d. If the proposition to operate gambling games ~~on an~~
22 ~~excursion gambling boat or at a racetrack enclosure~~ is
23 approved by a majority of the county electorate voting on
24 the proposition, the board of supervisors shall submit
25 ~~the same~~ a proposition requiring the approval or defeat of
26 gambling games to the county electorate at the general election
27 ~~held in 2002 and, unless the operation of gambling games is~~
28 ~~terminated earlier as provided in this chapter or chapter~~
29 ~~99D, at the next general election held at each subsequent~~
30 ~~eight-year interval~~ no sooner than the eighth calendar year
31 following the election approving gambling games, unless the
32 operation of gambling games is terminated earlier as provided
33 in this chapter or chapter 99D. However, if a proposition
34 to operate gambling games is approved by a majority of the
35 county electorate voting on the proposition in two successive

1 elections, a proposition under this paragraph shall not
2 thereafter be required to be submitted to the electorate to
3 authorize the conduct of gambling games pursuant to this
4 chapter.

5 e. After a referendum has been held which approved
6 or defeated a proposal to conduct gambling games on excursion
7 gambling boats or which defeated a proposal to conduct gambling
8 games at a licensed pari-mutuel racetrack enclosure as provided
9 in this section, another referendum on a proposal to conduct
10 gambling games on an excursion gambling boat or at a licensed
11 pari-mutuel racetrack shall not be held for at least eight
12 years until calendar year 2015 and then may only be held every
13 eighth calendar year thereafter. However, if any proposition
14 to operate gambling games is approved by a vote in favor of
15 such proposition equal to at least sixty percent of the total
16 votes cast for and against the proposition, another referendum
17 on a proposal to conduct gambling games shall not be held until
18 calendar year 2022 and then may only be held every fifteenth
19 calendar year thereafter.

20 Sec. 4. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
21 APPLICABILITY. The section of this Act amending section
22 99F.7, subsection 11, being deemed of immediate importance,
23 takes effect upon enactment and is retroactively applicable to
24 elections occurring on and after January 1, 1994.

25 EXPLANATION

26 This bill concerns gambling and horse racing by providing
27 for pari-mutuel wagering, purse agreements for races of
28 standardbred horses at county fairs, and county gambling
29 elections.

30 Code section 99D.11(6), concerning pari-mutuel wagering on
31 simultaneous telecasts of horse or dog races, is amended to
32 allow a simultaneous telecast of horse or dog races in this
33 state for pari-mutuel wagering if the telecast is done for
34 an entity licensed in another state to conduct pari-mutuel
35 wagering and the entity only accepts wagers from within states

1 in which it is authorized to accept wagers. Under current
2 law, simulcast telecasting of races can only be allowed at
3 a racetrack of a licensee that schedules no less than 60
4 performances of nine live races each day of the season.

5 Code section 99F.6 is amended to provide that agreements
6 concerning horse racing between the horse racetrack in Polk
7 county and representatives of standardbred horses shall include
8 a supplemental amount for standardbred races held at county
9 fairs which amount shall be included in determining the total
10 amount of horse purses that is required to be paid.

11 Code section 99F.7(11), concerning the requirements relative
12 to conducting a referendum to approve or disapprove gambling
13 games in a county is amended. The amended Code section
14 provides that if a proposition to operate gambling games
15 on an excursion boat, gambling structure, or racetrack has
16 been approved in two successive elections in a county, the
17 proposition to authorize gambling games is not thereafter
18 required to be submitted to the county electorate. Current law
19 provides that the proposition to conduct gambling games shall
20 be resubmitted to the county electorate every eight years.

21 The amended Code section also provides that if a proposal
22 to operate gambling games has been approved, another election
23 shall not be held sooner than the eighth calendar year
24 following the approval, but in no event prior to calendar year
25 2015, and then, may only be held each eighth year thereafter.
26 In addition, the bill provides that if any proposition to
27 conduct gambling games in a county passes with 60 percent
28 approval, then no referendum shall be held in that county until
29 calendar year 2022, and then may only be held each fifteenth
30 calendar year thereafter. The provision that the county may
31 hold a referendum on the proposition to conduct gambling games
32 upon submission of a petition from the county electorate is
33 maintained but is made subject to the bill's requirements on
34 when elections can be held. Current law provides that no
35 election shall be held for eight years after a proposal has

1 been defeated but is silent as to when an election can be held
2 if the proposal to conduct gambling games has been approved.

3 The amended Code section also provides that if gambling
4 games are authorized in a county but a subsequent referendum
5 to conduct gambling games has been defeated, any license to
6 conduct gambling games in that county shall remain valid for
7 one year following the defeat of the referendum. Current
8 law provides that the license remains valid for nine years
9 following the date of the original issue of a license to
10 conduct gambling games in that county.

11 The amendments to Code section 99F.7(11) take effect
12 upon enactment and are retroactively applicable to elections
13 occurring on and after January 1, 1994.